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SUBJECT: NIGERIA: LAGOS STATE AND YAR'ADUA SPAR OVER LOCAL COUNCIL
CREATION

REF: LAGOS 318

11. (SBU) Summary: President Yar'Adua has demanded that Lagos dissolve the 37 local councils it created in 2003 or face sanctions if it refuses to revert to the 20 local government areas listed in the constitution. Lagos Governor Fashola's refusal to comply could significantly heighten tensions between the federal capital in Abuja and the country's commercial capital. End summary.

President vs. Governor

12. (SBU) On July 14, President Umaru Musa Yar'Adua wrote a letter to Governor Fashola demanding that Lagos State dissolve the 37 Local Council Development Authorities (LCDAs) it created in 2003 and revert to the 20 local government structures that are constitutionally recognized. He gave Lagos State 14 days to comply or risk sanctions. On July 27, Governor Babatunde Fashola released a public response stating that he was unable to comply because the additional local councils had already been validated by the Supreme Court. Fashola, an attorney, insisted that Lagos' actions did not violate the Nigerian constitution.

13. (SBU) On July 28, a day after his ultimatum expired, Yar'Adua again threatened action against Lagos. He said that he was prepared to talk on this matter, but would not compromise constitutional integrity. On July 28, Ahmed Tinubu (AC - Action Congress), the former Lagos governor whose administration created the councils, argued that Yar'Adua had no constitutional power to issue orders to a state governor.

Discord Since 2004

14. (SBU) Tinubu created the local councils through a legal referendum. In 2004, former President Obasanjo opposed Tinubu's actions and withheld Lagos' share of the federal revenue allocation. The Lagos State Government took the case to the Supreme Court, which ruled in Lagos' favor and clarified that the constitution must be amended to incorporate the new councils. Upon assuming office, Yar'Adua released the funds for the councils. However, the PDP-dominated National Assembly has since failed to pass the laws that would recognize the new local councils.

What is Yar'Adua's Motive?

15. (SBU) On July 29, Idowu Ajanaku, Governor Fashola's Senior Special Advisor on Public Affairs, told PolSpec that it was amazing that President Yar'Adua, who ordered the release of the funds for Lagos councils, could now demand the dissolution of the councils. He said that top PDP politicians who want tension with the AC-ruled Lagos State Government must have prompted Yar'Adua to act.

16. (SBU) Comment: It is unclear why Yar'Adua would challenge a

matter that the Supreme Court apparently resolved. Fashola's supporters allege that Yar'Adua's PDP aims to fuel confrontation ahead of the 2011 election, and that the PDP envies Fashola's record of performance in office. Regardless of motive, given the large sums of money involved, failure to find a way out could significantly heighten tensions between Abuja and the country's commercial capital. End comment.

17. (U) This cable has been cleared by Embassy Abuja.

BLAIR